



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/815,434	03/22/2001	Philip D. Lapsley	8514-57 (STA-28)	8767

20575 7590 07/16/2004

MARGER JOHNSON & MCCOLLOM PC
1030 SW MORRISON STREET
PORTLAND, OR 97205

EXAMINER

HAYES, JOHN W

ART UNIT PAPER NUMBER

3621

DATE MAILED: 07/16/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/815,434

Applicant(s)

LAPSLEY ET AL.

Examiner

John W Hayes

Art Unit

3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 April 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-15 and 26-34 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-14 and 26-34 is/are rejected.
- 7) ☒ Claim(s) 15 is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 27 February 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of Claims

1. Applicant has added new claims 31-34 in the amendment filed 19 April 2004. Applicant has previously canceled claims 16-25 in the preliminary amendment filed 14 May 2002, thus claims 1-15 and 26-34 remain pending.

Response to Arguments

2. Applicant's arguments filed 19 April 2004 have been fully considered but they are not persuasive.

With respect to claim 1, applicant contends that the instant invention differs from Gatto since, in the instant invention, the payor financial account is forwarded from the electronic third party identifier. Applicant further argues that Gatto teaches forwarding the payor financial account from the financial transaction processor instead. Examiner respectfully disagrees and submits that Gatto discloses an electronic third party identifier that identifies the payor using the biometrics (Col 6, lines 1-11 and Col. 9 line 65-Col. 10 line 11) and further wherein the electronic third party identifier then forwards the financial account identifier to the payee such as the merchants POS terminal since Gatto discloses that the invention may be used in connection with a POS terminals such as supermarkets or retailer checkouts, gas pumps, coupon dispensers, gaming devices, lottery machines, and check cashing machines wherein the user enters and forward information to the payee terminal such as how the transaction will be paid for and the financial account to be used for payment such as ATM card or VISA (Col. 8, lines 40-55). In order for the transaction to be carried out with a customer's VISA card, for example, the payee would need the payor's financial account information to get authorization for the transaction. Examiner does not interpret the electronic third party identifier taught by Gatto to also be the transaction processor as applicant is arguing. Examiner has relied upon the reference to Merjanian to show the separate transaction processor. Merjanian discloses that the financial transaction is forwarded from the point of purchase terminal to a financial transaction processor such as VISA or American Express for processing as discussed below.

Drawings

3. The drawings were received on 27 February 2003. These drawings are approved.

Terminal Disclaimer

4. The terminal disclaimer filed on 14 May 2002 disclaiming the terminal portion of any patent granted on this application which would extend beyond the expiration date of U.S. Patent No. 6,269,348 B1 has been reviewed and is accepted. The terminal disclaimer has been recorded.

Claim Rejections - 35 USC § 103

5. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

6. Claims 1-7, 9-12 and 14 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S. Patent No. 5,546,523 in view of Merjanian, U.S. Patent No. 6,028,950.

As per **Claim 1**, Gatto discloses a method for tokenless authorization of an electronic payment between a payor and a payee using an electronic third party identifier and at least one payor bid biometric sample, comprising the steps of :

- a payor registration step, wherein the payor registers with an electronic third party identifier at least one registration biometric sample and a PIN, and at least one payor financial account identifier (Col. 2, lines 55-60 and 63-66; Col. 3, lines 55-56; Col. 4, lines 5-11 and 48-52; Col. 5, lines 43-48; Col. 6, lines 1-11);
- a payor biometric sample collection step, wherein at least one payor bid biometric sample is obtained from the payor's person (Col. 6, lines 1-11);

Art Unit: 3621

- at least one transmission step, wherein the payor bid biometric sample is forwarded to the electronic indicicator (Col. 6, lines 1-11; Col. 10, lines 1-8);
- a payor identification step, wherein the electronic indicicator compares the payor bid biometric sample with the at least one registered biometric sample for producing either a successful or failed identification of the payor (Col. 6, lines 1-11; Col. 9 line 65-Col. 10 line 11);
- an identification response step, wherein upon successful identification of the payor, the electronic indicicator electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45);
- a transaction execution step, wherein an electronic financial transaction is formed between the payor and the payee, comprising a transaction amount and a payor financial account identifier (Col. 3, lines 25-32; Col. 4, lines 5-10; Col. 5, lines 43-48; Col. 9, lines 5-18);
- selecting by the payor the type of financial account to be debited such as a credit or debit account (Col. 8, lines 50-55; Col. 9, lines 5-18);
- an approval step wherein the transaction amount is displayed to the payor and the payor indicates acceptance of the transaction (Col. 2, lines 25-33; Col. 3, lines 25-30; Col. 4, lines 40-46; Col. 6, lines 60-65);
- wherein upon successful identification of the payor and payee, a biometric based authorization of an electronic payment is given to transfer funds from the payor's account to a payee's financial account (Col. 9, lines 5-18; Col. 10, lines 1-8 and 36-46).

Gatto further fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

Art Unit: 3621

As per **Claim 2**, Gatto further discloses wherein the electronic forwarding of at least one payor financial account identifier to the payee comprises the electronic forwarding of at least one payor financial account identifier to the payee point of sale equipment (Col. 8, lines 40-55).

As per **Claim 3**, Gatto further discloses wherein the electronic forwarding of at least one payor financial account identifier to the payee comprises the electronic forwarding of at least one payor financial account identifier to payee party identification apparatus (Col. 8, lines 40-55; Col. 9 line 54-Col. 10 line 10).

As per **Claim 4**, Gatto further discloses selecting by the payor the type of financial account to be debited (Col. 9, lines 34-46).

As per **Claim 5**, Gatto further discloses wherein the type of financial account is selected from a list comprising: credit, debit or stored value (Col. 9, lines 1-17).

As per **Claim 6**, Gatto further discloses wherein the transaction execution step further comprises an intermediate forwarding step, wherein the financial transaction is forwarded to intermediate POS equipment (Col. 8, lines 40-55).

As per **Claim 7**, Gatto further discloses an approval step wherein the transaction amount is displayed to the payor, and the payor indicates acceptance of the transaction before the transaction is forwarded to the financial transaction processor (Col. 6, lines 60-67).

As per **Claim 9**, Gatto further discloses registering a non-unique payor personal identification number with the electronic third party identifier, which is used by the electronic third party identifier to assist in identification of the payor (Col. 6, lines 1-10; Col. 9, line 56-Col. 10 line 10).

Art Unit: 3621

As per Claim 10, Gatto further discloses a payor account selection step wherein the payor selects one of the financial accounts for debiting (Col. 9, lines 1-17).

As per Claims 11-12, Gatto further discloses a transaction payment step, wherein the transaction amount is debited from the payor's financial account and credited to the payee's financial account (Col. 9, lines 10-17).

As per Claim 14, Gatto further discloses wherein the biometric sample comprises a fingerprint or voice print (Col. 9, line 55-Col. 10 line 10).

As per Claim 31, Gatto further discloses wherein the transaction execution step includes forming the electronic financial transaction between the payor and payee, the electronic financial transaction comprising the transaction amount and an account index code assigned to the payor financial account identifier (Col. 5, lines 42-49; Col. 9, lines 10-17 and 35-45). Gatto, however, fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

As per Claim 32, Gatto further discloses wherein the electronic financial transaction comprises a new transaction amount and the payor financial account identifier, the new transaction amount being the sum of a cash back amount and a transaction amount (Col. 8, lines 47-60). Gatto, however, fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It

Art Unit: 3621

would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

7. Claim 13 is rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S. Patent No. 5,546,523 and Merjanian, U.S. Patent No. 6,028,950, as applied above, and further in view of Drexler et al, U.S. Patent No. 5,457,747.

As per Claim 13, Gatto and Merjanian fail to disclose, however, Drexler et al disclose a re-registration step, wherein the user's registration biometric samples are compared against previously designated biometric samples wherein if a match occurs, the system is alerted to the fact that the payor has re-registered (Col. 6, lines 17-31). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and Merjanian and include a re-registration step and alerting the system when a user has re-registered as taught by Drexler et al. This would help to avoid fraud wherein the same user may try to register under different names.

8. Claims 26-30 and 8 are rejected under 35 U.S.C. 103(a) as being unpatentable over Gatto, U.S. Patent No. 5,546,523 and Merjanian, U.S. Patent No. 6,028,950 as applied above and further in view of Colbert, U.S. Patent No. 5,485,510.

As per Claims 26-28 and 8, Gatto further discloses the identification of a payee (Col. 5, lines 43-48; Col. 9, lines 5-18; Col. 10, lines 36-46) and an identification response step, wherein upon successful identification of the payor, the electronic identicator electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45), however, fails to specifically disclose that the payee registers identification data with electronic identicator and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification

Art Unit: 3621

registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

As per Claims 29-30, Gatto discloses a method for tokenless authorization of an electronic payment between a payor and a payee using an electronic third party identicator and at least one payor bid biometric sample, comprising the steps of :

- a payor registration step, wherein the payor registers with an electronic third party identicator at least one registration biometric sample and a PIN, and at least one payor financial account identifier (Col. 2, lines 55-60 and 63-66; Col. 3, lines 55-56; Col. 4, lines 5-11 and 48-52; Col. 5, lines 43-48; Col. 6, lines 1-11);
- a payor biometric sample collection step, wherein at least one payor bid biometric sample is obtained from the payor's person (Col. 6, lines 1-11);
- at least one transmission step, wherein the payor bid biometric sample is forwarded to the electronic identicator (Col. 6, lines 1-11; Col. 10, lines 1-8);
- a payor identification step, wherein the electronic identicator compares the payor bid biometric sample with the at least one registered biometric sample for producing either a successful or failed identification of the payor (Col. 6, lines 1-11; Col. 9 line 65-Col. 10 line 11);
- an identification response step, wherein upon successful identification of the payor, the electronic identicator electronically forwards at least one payor account identifier to the payee point of sale equipment (Col. 9, lines 10-18; Col. 8, lines 40-45);
- a transaction execution step, wherein an electronic financial transaction is formed between the payor and the payee, comprising a transaction amount and a payor financial account identifier (Col. 3, lines 25-32; Col. 4, lines 5-10; Col. 5, lines 43-48; Col. 9, lines 5-18);

Art Unit: 3621

- selecting by the payor the type of financial account to be debited such as a credit or debit account (Col. 8, lines 50-55; Col. 9, lines 5-18);
- an approval step wherein the transaction amount is displayed to the payor and the payor indicates acceptance of the transaction (Col. 2, lines 25-33; Col. 3, lines 25-30; Col. 4, lines 40-46; Col. 6, lines 60-65);
- wherein upon successful identification of the payor and payee, a biometric based authorization of an electronic payment is given to transfer funds from the payor's account to a payee's financial account (Col. 9, lines 5-18; Col. 10, lines 1-8 and 36-46).

Gatto further discloses the identification of a payee (Col. 5, lines 43-48; Col. 9, lines 5-18; Col. 10, lines 36-46), however, fails to specifically disclose that the payee registers identification data with electronic identifier and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

Gatto further fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

As per **Claim 33**, Gatto further discloses wherein the transaction execution step includes forming the electronic financial transaction between the payor and payee, the electronic financial transaction

Art Unit: 3621

comprising the transaction amount and an account index code assigned to the payor financial account identifier (Col. 5, lines 42-49; Col. 9, lines 10-17 and 35-45). Gatto, however, fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

As per **Claim 34**, Gatto further discloses wherein the electronic financial transaction comprises a new transaction amount and the payor financial account identifier, the new transaction amount being the sum of a cash back amount and a transaction amount (Col. 8, lines 47-60). Gatto, however, fails to explicitly disclose forwarding the financial transaction to a financial transaction processor for authorization. Merjanian discloses a biometrically controlled transaction and teaches forwarding the transaction to a financial transaction processor such as VISA or American Express for processing. It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify the method of Gatto and forward the transaction to a financial transaction processor such as VISA or a bank in order to carry out the transaction as is commonly known in the financial community.

Double Patenting

9. Claims 1, 4-5, 7, 9-12, 14 and 26 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1, 4, 6, 8, 9-10 and 14-15 of U.S. Patent No. 6,662,166 B2. Although the conflicting claims are not identical, they are not patentably distinct from each other.

Claim 1 of U.S. Patent No. 6,662,166 B2 differs since it further recites additional claim limitations including an account retrieval step and authorization of the payment is authorized without the payor presenting smartcards or magnetic swipe cards to transfer funds. However, it would have been obvious

Art Unit: 3621

to a person of ordinary skill in the art to modify claim 1 of U.S. Patent No. 6,662,166 B2 by removing these limitations resulting generally in the claims of the present application since the claims of the present application and the claim recited in U.S. Patent No. 6,662,166 B2 actually perform a similar function. It is well settled that the omission of an element and its function is an obvious expedient if the remaining elements perform the same function as before. *In re Karlson*, 136 USPQ 184 (CCPA 1963). Also note *Ex parte Rainu*, 168 USPQ 375 (Bd. App. 1969). Omission of a reference element whose function is not needed would be obvious to one of ordinary skill in the art.

10. Claims 29-30 and 33-34 are rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claim 1 of U.S. Patent No. 6,662,166 B2 in view of Colbert, U.S. Patent No. 5,485,510.

Claim 1 of U.S. Patent No. 6,662,166 B2 recites all the limitation of claim 29, however, differs since it fails to recite that the payee registers identification data with electronic identifier and further a payee identification step wherein the payee's bid identification data is compared with registered identification data. Colbert discloses a secure credit authorization and teaches the use of identification registration data for a payee (Col. 1, lines 55-60; Col. 2, lines 23-25) and comparing this data with the payee identification data to authorize the transaction (Col. 2, lines 40-45). It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to modify claim 1 of U.S. Patent No. 6,662,166 B2 and include a step of identifying the payee as well as the payor in order to simplify the billing process as suggested by Colbert.

Claims 30 and 33-34 are also rejected since they depend upon claim 29.

Allowable Subject Matter

11. Claim 15 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

Conclusion

12. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

- Bocinsky, Jr. discloses a secure electronic funds transfer method wherein voice prints of the customer are verified followed by an authorization by a remote transaction processor
- Checchio discloses a method and apparatus for preauthorizing credit card transactions wherein the customer's credit card number, vendor ID code and transaction amount are provided to a network authorization system for authorization
- Shkedy discloses a system and method wherein buyers and sellers are identified using biometrics and a central controller is used to process transactions
- Linehan discloses a four party credit/debit payment protocol wherein consumers are identified using biometrics and wherein a issuer gateway processes the transactions.

Art Unit: 3621

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

Please address mail to be delivered by the United States Postal Service (USPS) as follows:

**Mail Stop _____
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450**

Please address mail to be delivered by other delivery services (Federal Express (Fed Ex), UPS, DHL, Laser, Action, Purolator, etc.) as follows:

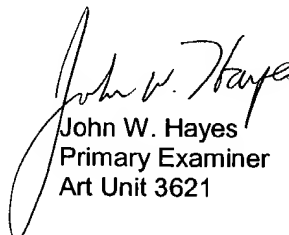
**U.S. Patent and Trademark Office
2011 South Clark Place
Customer Window, Mail Stop _____
Crystal Plaza Two, Lobby, Room 1B03
Arlington, Virginia 22202**

or faxed to:

(703) 872-9306 [Official communications; including
After Final communications labeled
"Box AF"]

(703) 746-5531 [Informal/Draft communications, labeled
"PROPOSED" or "DRAFT"]

Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th floor receptionist.


John W. Hayes
Primary Examiner
Art Unit 3621

July 12, 2004